

BUDGET LETTER

		NUMBER: 07-31
SUBJECT:	DEPARTMENT OF TECHNOLOGY RATE ADJUSTMENTS	DATE ISSUED: November 20, 2007
REFERENCES:	CONTROL SECTION 15.25, BUDGET ACT OF 2007 (CHAPTER 171, STATUTES OF 2007)	SUPERSEDES:

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) provides budget development instructions for the 2007-08 Department of Technology (DTS) rate adjustments approved by the Technology Services Board (TSB).

A. Background—Control Section 15.25

Control Section 15.25 provides that the Director of Finance may adjust amounts in any appropriation item resulting from changes in rates for data center services approved by the TSB in the 2007 or 2008 calendar year. The aggregate amount of General Fund appropriation increases, however, may not exceed the aggregate amount of General Fund appropriation decreases.

The Department of Technology Services periodically proposes rate adjustments to ensure that rates are aligned with the costs of providing services. In 2006-07, the DTS proposed a mid-year rate adjustment package which was adopted by the TSB on January 16, 2007. The rate package made changes to network and mainframe rates, and the net cost impact to departments varied based on the type of services used. Generally, the rates for network services increased while rates for mainframe services decreased. Control Section 15.25 was adopted to provide a mechanism to make baseline budget adjustments to reflect the impact of this rate package, as well as other rate packages that may be adopted during the 2007 and 2008 calendar years.

Appendix B (attached) summarizes the net impact of the rate changes by department based on usage data from the first quarter of 2006-07.

B. Treatment of Budget Documents

The Department of Finance (Finance) will be making planning estimate adjustments based on Appendix B, which was considered as part of the rate proposal adopted by the TSB. Departments need to complete Attachment I to distribute the net changes to each appropriation item as appropriate and complete Attachment II to schedule the change. Generally, departments should allocate the change based on their general methodology for allocating departmental information technology costs. These documents are due to the Finance Budget Analyst by November 26, 2007.

Additional Information

Under limited circumstances, departments that have experienced a material change to their data center utilization after the first quarter of 2006-07, and thus costs, may contact their Program Budget Manager to discuss any deviation from the figures in Appendix B. However, requests for deviation will only be considered if the change is the result of non-discretionary caseload/population or service level increases, is not the result of discretionary changes in data center utilization, the project has been completed or discontinued, and no budget adjustments have already been made.

For additional information, please contact Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263, extension 2442.

/s/ Mark Hill

Mark Hill
Program Budget Manager

Attachment